

TESTIMONY FOR PHILIP LOBUE  
PRESIDENT, LOBUE BROTHERS INC.  
HOUSE AGRICULTURAL COMMITTEE  
SUB COMMITTEE ON HORTICULTURE & ORGANICS  
MAY 14, 2009

Good afternoon, my name is Philip LoBue and I am President of LoBue Brothers, a family run citrus operation located in Lindsay California which is the heart of the fresh citrus industry. I am a second generation producer and now partner in the family growing, packing and shipping operation. What my father and his brothers started in 1932 my brother and I along with three cousins are now operating. We farm approximately 1000 acres; pack our own fruit and that of another 150 growers all of which manifests into four million cartons of fresh citrus sold domestically and internationally. We employ 250 people in the packing house and another 100 plus in the field harvesting fruit.

During my 30 years in the industry we have NEVER had a food safety issue. Never in my 30 years as a member of our industry have we had a food safety issue. The California citrus industry is the number one fresh citrus producing area in the nation. Each year an estimated \$1.8b of product is sold which creates another \$1.2b of economic activity. Collectively we employ 12,000 people and our activity supports another 13,000 jobs. And, again, we've never had a food safety issue. The safety of our product is never taken for granted and the industry has an enviable food safety reputation.

We do this without support payments or government assistance. We do this while facing tariffs approaching 54% and we do this while so many of our off shore competitors receive government assistance; in the EU the support level exceeds \$1b. Our regulatory costs are over \$400 per acre now.

Many years ago our own Citrus Research Board published a Food Safety directive for the industry at both the grove and packing house. In March 2007 they updated it with the statement Good Agricultural Practices are an insurance policy, not a burden. That's our belief, our responsibility and our commitment. We fulfill it every day.

This is the environment in which I and my family have farmed for almost 100 years. We harvest fresh fruit from trees that are 50-60 years old. We and my 3500 farmer colleagues all do this without any food safety problems. I think we are a pretty good example of what sustainability is all about and yet we feel threatened by too much government involvement. Believe me committee members we take our food safety responsibility seriously. We have a complete trace back system from carton to field and soon data bar technology will allow for each piece of fruit to be identified and traced back to the block from which it was harvested. Add to that state of the art GPS technology and we will soon tell you what tree a piece of fruit came from. All this is being done without government rules, regs, mandates and costs. Our employees wear gloves in the field and at the packing house. Our fruit washing systems in the packinghouses are monitored by ourselves and a third party to insure they do the cleaning process necessary. Field and packing house sanitary conditions are constantly monitored.

Food safety begins at the grove as we producers are the first step in the farm to table food chain. It continues into the packing house with documentation, traceability, monitoring and communication. Our overall objective is to provide the public with a safe and nutritious product in a manner that sustains productivity and economic viability.

Our industry certainly understands the concern and need for a viable food safety program. We believe our industry's track record clearly supports my contention that we have a viable effort in place. Right now we are

reviewing it to determine areas of vulnerability. We know things change, we know pathogens exist or change to create new challenges. We know we must be ever diligent to protect the consumer and our industry's integrity. We believe we do that. As an industry we should be willing to share our common program with the appropriate officials so that they may learn how one commodity accomplishes the desired objective.

We believe a food safety program mandated by government should be risk based. Committee members, we are on a tree, above ground in a package that is peeled before consumption. Our areas of vulnerability are entirely different than other commodities. Not only are they different but there are considerably fewer areas of vulnerability as well. Government shouldn't impose a program on an entity that has demonstrated continued success towards the food safety objective. We should share, review and monitor. We shouldn't be told to change something that works and incur additional costs.

Government imposed costs are a pet peeve of ours. They now represent 25% of our farming costs. In the past few years as others set themselves up as the consumer protector, or to protect themselves from liability or choose a new marketing theme they have imposed marketplace mandates that are duplicative and expensive. Presently our company incurs \$50,000 for two different audits. Every third party audit company and individual auditor stress different areas and it seems all of them are trying to establish a name for them by trying to out do the other. Many of our customers specify certain audit companies and will not accept results from others.

Many of the things we do in the name of food safety have no bearing on the safety of the product. Standards need to be developed that are specific to our industry in order to harmonize the audits so that any third party can conduct the audit. Finally we have to say enough is enough. On one hand we think a double standard exists for what we must do to satisfy our customer versus what others are doing to protect the consumer. Secondly we are asked to absorb these duplicative costs.

We have a saying in our industry, costs are fixed locally while prices are determined globally and the margin between the two is almost non existent. Imposing costs on us makes our product more expensive. Having those costs imposed more than once is doubling the expense without adjusting the margin as off shore competition can do everything for less expense. So we would support an effort to harmonize or standardize this cottage industry of food safety audits. If a food safety audit is necessary then make it happen once and make it standardized to the satisfaction of the government and the consumer.

Members of the committee, I'm not so naive to stipulate that a food safety problem will never occur in the citrus industry. We must maintain our standards. We must review them and we must improve them. But we shouldn't be saddled with a system that is more rigorous for a more risk prone commodity. We shouldn't be burdened with a multitude of audits so others can market their food safety awareness program. We shouldn't be burdened for a bureaucratic cost that cannot be passed on and we shouldn't be burdened by a program that buries our administrative staff in paperwork.

Allow me to conclude with one additional thought. I've been around to witness the formation of the Department of Education, Environmental Protection Agency and most recently Home Land Security. Before me USDA and FDA were developed. Surely you can't envision another government growth mandate. Existing agencies should be redirected to this mission. For us, because of familiarity and their knowledge of location, people and industry, we believe USDA is best suited to perform the food safety oversight tasks. This can be done with existing personnel. It can be done by contracting with state or local governments. It doesn't have to include an expansion of personnel. Just as I have had to learn new tricks on computers and electronic dissemination of information so should government personnel be retrained for today's needs.

Thank you for allowing me this opportunity and I look forward to answering any questions you may have.

Committee on Agriculture  
U.S. House of Representatives  
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Philip LoBue
2. Business Address: 201 S. Sweet Brier Avenue  
Lindsay, CA 93247
3. Business Phone Number: (559) 562-2548
4. Organization you represent: LoBue Bros., Inc.
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:  
President - LoBue Bros., Inc. 1999 - Present  
General Manager - California Citrus Producers 1975 - 1999
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:  
B.S. Ag Sciences - U.C. Davis  
M.S. Economics - North Carolina State University
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:  
LoBue Bros., Inc. - President  
LoBue Farms - Director

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Committee on Agriculture  
U.S. House of Representatives  
Required Witness Disclosure Form

House Rules\* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2006.

Name: Philip LoBue  
Address: 201 S. Sweet Brier Avenue , Lindsay, CA 93247  
Telephone: (559) 562-2548  
Organization you represent (if any): LoBue Bros., Inc.

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2006, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2006, as well as the source and the amount of each grant or contract:

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Please check here if this form is NOT applicable to you: X

Signature: 

\* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.